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D208321558

Project: Lonestar
Lease Id: 5996

Fee: \$ 44.00

Submitter: SIMPLIFILE

8 Pages

Argonne Henderson

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

OIL, GAS AND MINERAL LEASE

THIS AGREEMENT (this "Lease") made this 27 day of February, 2008, between One Oaklake VIII, LLC, as Lessor (whether one or more), whose address is: 3131 West Alabama, Suite 300 Houston, TX 77098, and Carrizo Oil and Gas, Inc. whose address is P.O. Box 122869, Fort Worth, Texas 76121, called Lessee, does witness that:

All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:

Lot 2, out of the Blackburn J. Addition, an addition to the City of Arlington, Tarrant County, Texas. Being the same land described in that certain special warranty deed, dated February 18, 2003, from Sheppards Development Corporation to One Oakland VIII LLC, as recorded in Volume 16417, Page 207, of the Official Deed Records of Tarrant County, Texas. *See attached photo designation.*

in the county of Tarrant, State of Texas, containing 9.63 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non-hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of **3 years** from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be **25%** of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be **25%** of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of producing oil or gas or other substances covered hereby in paying quantities, but such well or wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut-in or production therefrom is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

5. If Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns.

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No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. Lessor hereby agrees that, in the event Lessee deems it necessary to seek a variance, waiver or other relief from any laws, rules, regulations, or orders (which for purposes of this paragraph shall include any ordinance) or other such authority exercised by (i.) the City of Arlington, including but not limited to the well setback distance for gas drilling and production, or (ii.) by any other governmental entity or authority having jurisdiction, then Lessor shall engage in reasonable acts and execute and deliver such instruments and documents Lessee deems necessary or convenient in seeking such relief. In the event Lessee is required by such authority to acquire Lessor's consent as a prerequisite to obtain such variance, waiver or other relief, Lessor grants to Lessee and agrees that Lessee's leasehold estate acquired hereunder includes the right to utilize this lease as Lessor's consent and ratification of any subsequent variance, waiver or other relief Lessee seeks, without the necessity of Lessee obtaining any additional or subsequent consent/s from Lessor. Lessor furthermore agrees not to execute documents or instruments or engage in acts that would diminish or adversely affect the relief Lessee is seeking.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. Lessee shall not conduct any surface operations upon any part of the surface of the lease premises. Lessee shall however have a sub-surface easement to horizontally drill under the surface of the lease premises. Notwithstanding anything contained herein to the contrary, Lessee shall have the right to conduct seismic operations, but only by virtue of the vibroseis-method. Lessee shall employ such measures as will reduce the impact upon, improvements, vegetation and game habitat on the lease premises. Lessee shall pay for all damages related to seismic operations. Other than seismic operations, by execution of this Lease, Lessee does not otherwise obtain the right to conduct exploration, excavation or drilling operations from or upon the surface of any portion of the lease premises.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. This Lease may be executed in any number of counterparts, no one of which needs to be executed by all Parties, or this Lease may be ratified by separate written instrument specifically referring hereto, and it shall be binding upon all Parties who executed a counterpart or ratification instrument with the same force and effect, with each separate counterpart or ratification instrument deemed to be one and same original Lease.

SEE EXHIBIT "B" ATTACHED AS ADDENDUM

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

IN WITNESS WHEREOF this instrument is executed on the date first above written.

LESSOR: One Oaklake VIII, LLC

LESSEE:

Name: [Signature]

(Individually and in all Capacities for the above described Land)

Name: [Signature]

(Individually and in all Capacities for the above described Land)

Title: EXECUTIVE DIRECTOR OF ODLAKO

As Managing Member of OOVIII, LLC

Title: General Manager

STATE OF TEXAS

COUNTY OF Harris

Before me, the undersigned authority, on this day personally appeared JOT Couch and known to me to be the person whose name is subscribed to the forgoing instrument, and acknowledged to me that he/she executed the same for the purpose and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal of office this 29 day of FEBRUARY, 2008.



My commission expires:

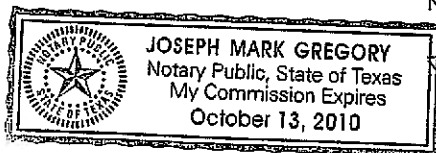
[Signature]
Notary Public, State of Texas
CHRISTINE DECUIR
Notary's printed name

STATE OF TEXAS

COUNTY OF Tarrant

Before me, the undersigned authority, on this day personally appeared Mike Fisher known to me to be the person whose name is subscribed to the forgoing instrument, and acknowledged to me that he/she executed the same and for the purpose and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal of office this 28 day of Feb, 2008.



My commission expires:

[Signature]
Notary Public, State of Texas
Joseph Mark Gregory
Notary's printed name

EXHIBIT "B"

Addendum to Oil, Gas and Mineral Lease

Attached to and made a part of that certain Oil, Gas and Mineral Lease
dated February 27 2008, by and between
One Oaklake VIII, LLC, as Lessor,
and Carrizo Oil and Gas, Inc, as Lessee

Notwithstanding anything to the contrary in the pre-printed portion of this lease, the following provisions (which are numbered consecutively with the provisions in the pre-printed portion of this lease) shall apply and control over any inconsistent language in the foregoing pre-printed portion of this lease:

17. Other Minerals. Notwithstanding any provisions to the contrary, the rights granted hereunder are specifically limited to the exploration for and the production of oil, gas, sulfur and all other related liquid or liquefiable hydrocarbons. Accordingly, the words "minerals," "oil" and/or "gas" when used herein shall mean oil, gas, sulfur and related gaseous, liquid or liquefiable hydrocarbons only. There is specifically excluded herefrom and reserved to Lessor herein all uranium, thorium, fissionable materials, bentonite, fuller's earth, iron ore, lignite, coal, sand, gravel and all other hard rock minerals.

18. Royalty Without Deductions. Lessor's royalty herein shall be a free royalty and in no event shall Lessor be charged for dehydration, compression, treatment, and other similar costs necessary to market such hydrocarbons, regardless of whether such activities occur before or after the place or time where such hydrocarbons are considered "produced" under Texas common law; however, Lessee is authorized to only deduct all state, federal or local taxes levied against such hydrocarbons and applicable to the interest of Lessor. Further, there shall be no deductions from Lessor's royalty for costs and expenses associated with the construction, operation or depreciation of any plant or other facility or equipment for processing or treating oil or gas.

19. Pooling. In the event Lessee exercises its rights hereunder to pool or unitize the lands covered by this lease with other lands, then any such pool or unit formed shall include all of the lands covered by this lease or none.

20. Marketing. Lessee shall use its best efforts to obtain the highest prices possible for all oil and gas produced from the lands covered by this lease and lands pooled therewith.

21. Shut-in Royalties. The shut-in gas privilege and provisions of Paragraph 3 of the pre-printed portion of this lease shall apply and be effective only as to gas wells capable of production in paying quantities and not otherwise. After the end of the primary term, this lease may not be maintained in force solely by reason of the shut-in royalty payments, as heretofore, for any one shut-in period of more than two (2) years. It is agreed and understood that any shut-in gas well royalty payments made hereunder shall be calculated on the basis of Twenty-five Dollars (\$25.00) per net mineral acre per year.

22. Interest on Royalty Payments. Lessee must disburse or cause to be disbursed to Lessor its royalty on production from a particular well not later than 120 days after completion of the well, in the case of an oil well, or after the pipeline connection, in the case of a gas well. Thereafter, Lessee must disburse or cause to be disbursed to Lessor its royalty on production by the last day of the second month after the month of production. If not paid when due, Lessor's royalty will bear interest at the maximum lawful rate from due date until paid, which amount Lessee agrees to pay. Acceptance by Lessor of royalties that are past due will not act as a waiver or estoppels of its right to receive interest due thereon unless Lessor expressly so provides in writing signed by Lessor. The royalty payment obligations under this Lease shall not be affected by any division. Should Lessee fail at any time to pay royalty when due, Lessor may give Lessee written notice of the default, and if the default is not cured within 60 days of the notice of the default, Lessor shall have, in addition to all other remedies, the right to terminate this Lease. If Lessor's interest in the Land is subject to a deed of trust or other encumbrance, Lessee may not withhold payment of royalty to Lessor unless there is an assignment of royalty from Lessor to the lien holder, and Lessee is notified by the lien holder that Lessor is in default.

23. Use of Production by Lessee. Lessee shall not have the right to use oil, gas and other lease substances produced from a well located on the leased premises or land pooled therewith for production or recovery of oil, gas or lease substances for any well or wells located on a unit not including a portion of the lands covered by this lease without full payment to Lessee of its royalty on said oil, gas and other lease substances. Further, Lessor shall receive Lessor's royalty on all oil, gas and other lease substances notwithstanding the fact that said oil, gas and other lease substances may be returned to a subsurface formation for storage.

24. No Warranty. This lease is made without warranty of title, either express or implied, and Lessor shall not be obligated to defend title conveyed to Lessee hereunder. In the event of any failure of title, in whole or in part, it is agreed that there shall be no return of the cash down payment or bonus, such cash down payment or bonus having been paid by Lessee to Lessor as a part of the consideration for this lease and not as mere rental for a period.

25. Breach or Default. In the event of a Breach or Default under this Lease, the parties agree to attempt to resolve the dispute through good faith mediation to be held Tarrant County, Texas, within a reasonable time after the dispute becomes known.

26. Assignment. Lessee shall notify Lessor of any assignments of its rights or interests under this lease. No such assignment shall become effective (but instead shall be null and void in its entirety) until Lessor is so notified, but cannot be unreasonably withheld. Any such assignment of this Lease in whole or in part shall not release Lessee from any damages, liabilities or obligations attributable to, resulting or arising from, or incurred in connection with, any actions or inactions of Lessee prior to such assignment.

27. Indemnity. LESSEE SHALL INDEMNIFY AND HOLD HARMLESS LESSOR AND ITS REPRESENTATIVES, SUCCESSORS AND ASSIGNS AGAINST ANY AND ALL EXPENSES, CLAIMS, DEMANDS, LIABILITIES AND CAUSES OF ACTION OF ANY

NATURE OR INJURY TO OR DEATH TO PERSONS AND/OR LOSS OR DAMAGE TO PROPERTY, INCLUDING, WITHOUT LIMITATION, ATTORNEYS FEES, EXPERT FEES AND COURT COSTS CAUSED BY LESSEE'S OPERATIONS ON THE LEASED PREMISES OR LANDS POOLED THEREWITH, LESSEE'S MARKETING OF PRODUCTION AND PRODUCTS THEREFROM, ANY VIOLATION OF ANY ENVIRONMENTAL LAWS REGULATIONS OR ANY OTHER ACT OR OMISSION OF LESSEE IN CONNECTION WITH THIS LEASE.

28. Insurance. Lessee or its contractors and subcontractors shall maintain adequate and customary insurance coverage with an insurance company or companies authorized to do business in the state where the leased premises are located or through a self-insurance program of the kind and in the amounts as are in keeping with the reasonable standards of the oil and gas exploration and production industry, insuring the liabilities of Lessee pursuant to this lease. Lessee shall, if requested to do so by Lessor, procure from the company or companies writing such insurance a certificate or certificates that such insurance is in full force and effect, but no more than one time in one year period, and will be done in Lessee's office. Such insurance policies shall name Lessor as an additional insured with regard to the leased premises; shall reflect that Lessor will receive thirty (90) days prior written notice of cancellation or material change in coverage; and shall reflect that the insurer has waived any right of subrogation against Lessor.

29. Limitation Upon Release of Lessee. If Lessee transfers its interest hereunder in whole or in part, Lessee shall not be relieved of any obligations thereafter arising with respect to the transferred interest if such transfer is made to an affiliated party or such transfer is made in bad faith.

30. Release of Lease. In the event of a full or partial termination of this Lease under the provisions hereof, Lessee shall be obligated at its expense promptly to prepare, execute and file in the real property records of Tarrant County, Texas an appropriate release instrument covering all or such portion of the lands and substances as to which this lease shall have terminated, and to forward a copy of same as so recorded to Lessor, and thereupon Lessee shall be relieved from all obligations of this agreement as to acreage so surrendered, except obligations and liabilities theretofore accrued.

31. Compliance With Laws. Lessee covenants and agrees to comply with all laws and governmental rules, orders and regulations (including environmental laws and regulations) that may be applicable to the leased premises or any operations relating thereto.

32. Force Majeure. Should Lessee be prevented by reason of Force Majeure from complying with any express or implied covenant of this Lease (other than a requirement to pay money), from conducting drilling or reworking operations on the Land, or from producing oil or gas, then while so prevented, that covenant will be suspended; Lessee will not be liable for damages for failure to comply therewith; this Lease will be extended so long as Lessee is prevented from conducting drilling or reworking operations on or from producing oil and gas from the Land; and the time while Lessee is so prevented will not be counted against Lessee. "Force Majeure" means any Act of God, any federal or state law, or any rule or regulation of governmental authority, or

other similar causes (other than financial reasons). This paragraph is, however, in all things subject to the limitations of time during which Lease may be continued in force by the payment of shut-in gas royalties.

33. Horizontal Severance. If this lease has not previously terminated pursuant to some other provision of this lease, then two (2) years after the end of the primary term hereof, this lease shall automatically expire as to all depths lying below the then deepest producing formation in any well located on the lands covered by this lease or on lands pooled therewith. Lessor must submit written request (90) days prior, then Lessee shall then execute and deliver to Lessor a recordable release of any and all interests hereunder below the effective depth of this lease as provided above.

34. Reports. Lessor shall have the right to review all reports relating to this Lease that are filled with the Railroad Commission of Texas in the offices of the Lessee, but no more than once in a one year period, with a (90) day written notice.

35. No Surface Use. Notwithstanding anything herein contained to the contrary, it is understood and agreed that Lessee, on behalf of itself and its successors and assigns, hereby waives and releases all rights to enter upon or use the surface of the leased premises for any purpose, including, without limitation, for the purposes of conducting operations related to exploring for, drilling, developing, producing, treating, storing, or transporting oil, gas or other minerals or any other substances. Any production from the leased premises shall be by way of pooling and/or unitization as provided herein, or by directional drilling from a surface location on other lands, but in no event shall such directional drilling or other activities occur underneath the surface of the leased premises at a depth of less than one thousand (500) feet below the surface of the earth.

36. Notice. Any notice or other communication permitted or required under the terms hereof shall, unless otherwise specified, be deemed properly given if in writing and personally delivered or mailed, postage prepaid, by United States mail, addressed to Lessor or Lessee at the appropriate address designated below, or to such other address as may hereafter be designated by either party to the other by written notice:

TO LESSOR:

One Oaklake VIII, LLC
3131 West Alabama, Suite 3000
Houston, TX 77098
Attention: Mr. J.O.T. Couch

TO LESSEE:

Carrizo Oil and Gas, Inc
PO Box 122869
Fort Worth, Texas 76121
Attention: Mr. Mike Fisher

37. Memorandum of Lease. It is agreed and understood that a Memorandum of Oil and Gas Lease may be filed of record for the purpose of providing record notice of the existence of the Lease in lieu of recording the executed original. Said Memorandum of Oil and Gas Lease shall be recorded in the real property records of Tarrant County, Texas, within a reasonable period of time by Lessee and a copy thereof will be furnished to Lessor at the time of execution of Lease.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

LESSOR:

One Oaklake VIII, LLC

By: 

Name: JOT Couch ^{as}

Title: EXECUTIVE DIRECTOR OF OLAHC

LESSEE:

^{as Managing Member of OOLAKE VIII LLC}
Carrizo Oil and Gas, Inc

By: 

Name: MIKE Fisher

Title: General Manager

Tarrant County
Texas

Lonestar

Legend

[Symbol]	Water
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Encha
Map Services

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